

# Iran deal: The winners and losers

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For *The Straits Times*

The Iranian Foreign Minister was right to characterise the agreement on Iran's nuclear programme reached in Vienna as a "win-win" outcome, at least for the US, the West and Iran. But there are some not so obvious losers as well.

The biggest losers are the "Israel lobby" and Republican "Obama-haters" in the United States, the Netanyahu government in Israel, the Revolutionary Guards in Iran, and Russia.

The Christian Zionists, who form the backbone of the Republican lobby for Israel, and American-Israeli Political Action Committee, or Aipac, both campaigned mercilessly against Mr Barack Obama's negotiations with Iran. Although they never offered any alternatives other than military strikes against Iran, they steadfastly opposed any agreements with Iran other than Teheran's surrender and perhaps change of regime. The agreement in Vienna has presented them with a new reality. They have almost no chance of getting the 67 US senators necessary to override Mr Obama's guaranteed veto of any congressional act that undermines the Vienna agreement.

The Israeli government is faced with a new reality, too. Despite Prime Minister Benjamin Netanyahu's unprecedented personal lobbying of the US Congress from the well of the House of Representatives, thereby injecting a foreign government into the domestic politics of another sovereign state, the Obama administration remained unwavering and produced a peaceful resolution to Israel's Iranian nuclear problem. Mr Netanyahu and company are now faced with the prospect of an Iran economically unleashed to develop its energy resources more robustly, and perhaps even cordial, relationship with the United States.

While the Revolutionary Guards, and their Shi'ite allies in Lebanon,



Iranians displaying pictures of Foreign Minister Mohammad Javad Zarif as they celebrated in the streets of Teheran after the country struck a nuclear deal with major world powers on Tuesday, a move seen as a game-changer. PHOTO: REUTERS

Iraq, Yemen and the Gulf Arab states will experience no short-term losses from the Vienna agreement, they should fear that in the medium to long term, perhaps under Mr Obama's successor in the White House at least, there will be a rapprochement of sorts between Washington and Teheran.

Indeed, as foreign capital from Europe, the US, China, Japan and elsewhere floods into Iran to take advantage of one of the largest and potentially most fertile untapped markets in the world, the constituency for backing Shi'ite allies abroad will gradually evaporate. Far more gains will be promised by working in commerce than fighting proxy wars abroad.

Despite the fact that Russia was a good-faith partner of the rest of the

UN Security Council members, plus Germany, in the negotiations in Vienna, it will realise that a resolution to the Iranian nuclear issue promises it far fewer gains than its continuation.

While the Russians benefit commercially a bit from becoming the most probable destination for the enriched uranium Iran must send abroad under the agreement, their other business prospects in Iran will be immediately displaced. Given a choice between Russian technology and investment, and that from France, the US and China, no Iranian will choose Russia.

Moreover, and perhaps more critically, Iran is poised to export an additional 2 million to 2.5 million barrels per day of oil onto the global market, further deflating world oil

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prices or, at the very least, keeping them at around the US\$60 per barrel level that today is leading the Russian economy to shrink on an annual basis, and its foreign exchange reserves to evaporate.

What is more, Russia, which has taken advantage of "pipeline politics" for the last 25 years, is now faced with Western and Chinese interests in building natural gas and oil pipelines from Turkmenistan, Kazakhstan and Uzbekistan through Iran to the Persian Gulf.

This would immediately end Russia's near monopoly on the export of oil and gas from these countries, greatly diminishing Moscow's political influence in Central Asia, and dramatically increasing China's.

Pipelines to the Gulf will also give

China enhanced bargaining leverage with Russia over the latter's recently concluded pipeline deal with Beijing. Finally, the fanciful pipeline that the US dreamed of forcing through war-torn Afghanistan and rebellious Baluchistan in Pakistan will become moot. The deal with Iran is a really big deal. It could shift the tectonic plates of geopolitics in the Middle East and far beyond, especially if Washington and Teheran move towards a long-overdue rapprochement.

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